



# Mubadala Development Company PJSC

Stakeholder Update Call

12<sup>th</sup> April 2012

# Speakers Today



- ▶ Waleed Al Mokarrab Al Muhairi
- ▶ Chief Operating Officer



- ▶ Carlos Obeid
- ▶ Chief Financial Officer



- ▶ Matthew Hurn
- ▶ Executive Director, Group Treasury

There will be a Q&A session at the end of today's presentation. Please email any questions to Mr. Brian Lott:

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# I. Mubadala Overview

# Mubadala Overview



- Development and investment company
  - ▶ A key component of Abu Dhabi's diversification and economic development strategy
- Government of Abu Dhabi is the sole Shareholder
  - ▶ 10 year anniversary in 2012
  - ▶ 20,000+ employees across the Group
- Established in 2002 by Emiri Decree to:
  - ▶ Generate economic returns for its Shareholder
  - ▶ Create socio-economic benefits for citizens of Abu Dhabi
- Developing global platforms that currently span Oil & Gas, Aluminum, Semiconductors, Renewable Energy and Aerospace
- Strong emphasis on disclosure and transparency
  - ▶ IFRS audited & consolidated financials since 2006
  - ▶ Proactive Investor Relations strategy
  - ▶ 10/10 on the Linaburg-Maduell Transparency Index

## Selected information as of December 31<sup>st</sup> 2011

	Moody's	S&P	Fitch
Credit ratings	LT: Aa3	AA	AA
	ST: P-1	A-1+	F1+
Total assets	AED 177.0bn (US\$ 48.2bn)		
Total debt <sup>1</sup>	AED 44.7bn (US\$ 12.2bn)		
Total equity	AED 106.0bn (US\$ 28.9bn)		
Gearing <sup>2</sup>	22%		
Revenue	AED 27.9bn (US\$ 7.6bn)		
Total comprehensive loss attributable to owner of the Group	AED 4.2bn (US\$ 1.1bn)		

<sup>1</sup> Debt: Interest Bearing Borrowings + Obligations Under Finance Lease

<sup>2</sup> Gearing: Net Debt / (Equity + Net Debt)

Note: US\$/AED Exchange rate: US\$1.0 = AED 3.6735

# Organizational Strategy

- Long term investment horizon enabled by Shareholder' s support
  - ▶ Investments may take 5, 10 or 20 years to come to full fruition
  - ▶ As asset base matures focus evolving from business development to asset management
  - ▶ Increasingly international focus

- Creating opportunity for the private sector without directly competing with it

- Partnerships with world-class organizations

THE CARLYLE GROUP



- Aspiring to deliver best practice across its business

- Key focus on risk management

- ▶ Established integrated risk management framework across multiple levels of the business from Board-level down

# Advanced Technology Investment Company



- Full consolidation into Mubadala during 2011 was a further milestone in the Group's evolution
- A strategic fit with Mubadala's focus on creating and developing globally competitive and innovative platforms
- ATIC will be a catalyst and accelerator of:
  - ▶ Economic development and transfer to a knowledge-based economy
  - ▶ High-skill job creation
  - ▶ Entrepreneurship within UAE economy and creation of private sector opportunities
- ATIC diversifies Mubadala's geographic footprint through operations in Germany, Singapore and United States
- ATIC has a significant impact on Mubadala's financial performance
  - ▶ Largest asset and contributor of revenue, significantly diversifies revenue and asset base

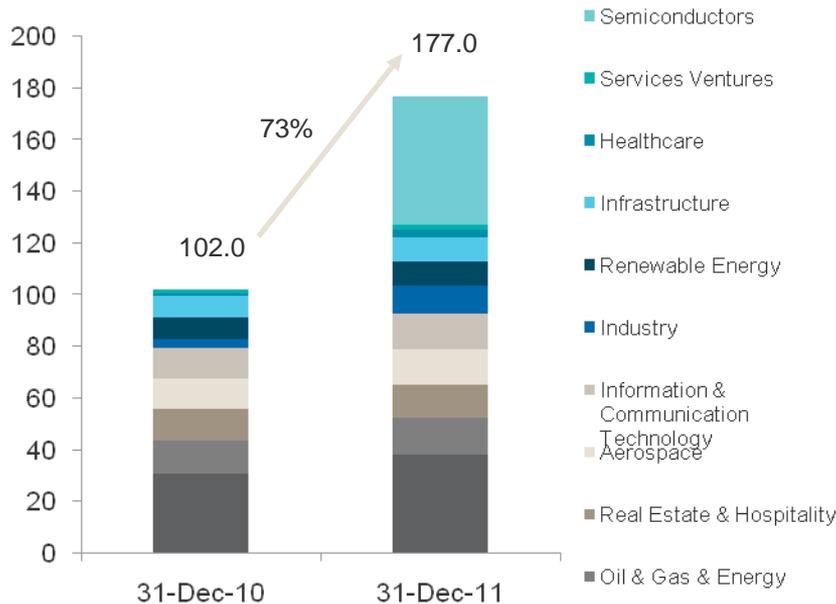


## II. Financial Statements

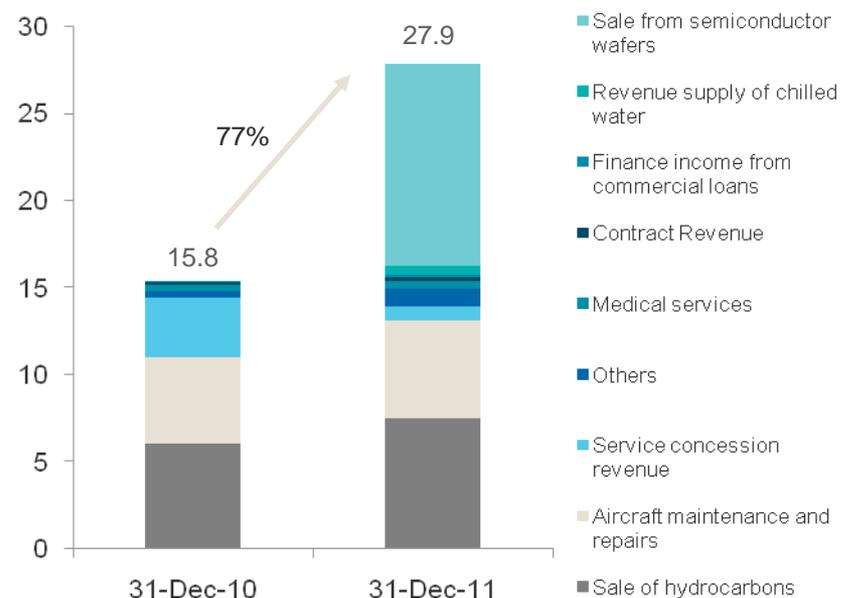
# Assets and Revenues

- **Assets** increased by 73% driven mainly by the consolidation of ATIC which further diversifies portfolio
- **Revenues** increased by 77% driven by consolidation of ATIC, higher hydrocarbon prices and growth of Aerospace
  - ▶ Main contributors to revenue mix: ATIC accounted for 42%, Oil & Gas 27% and Aerospace 21%

Total assets (AED bn)



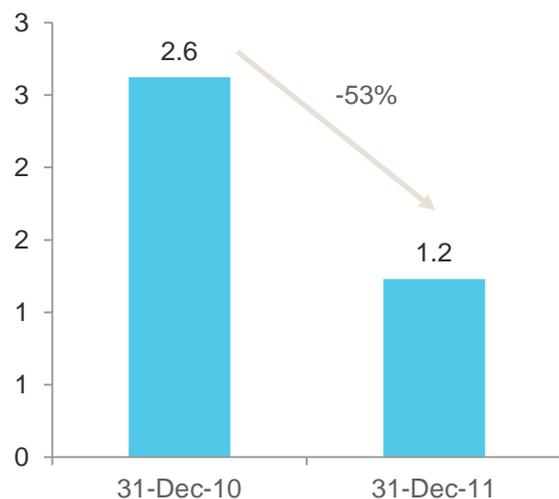
Total revenues (AED bn)



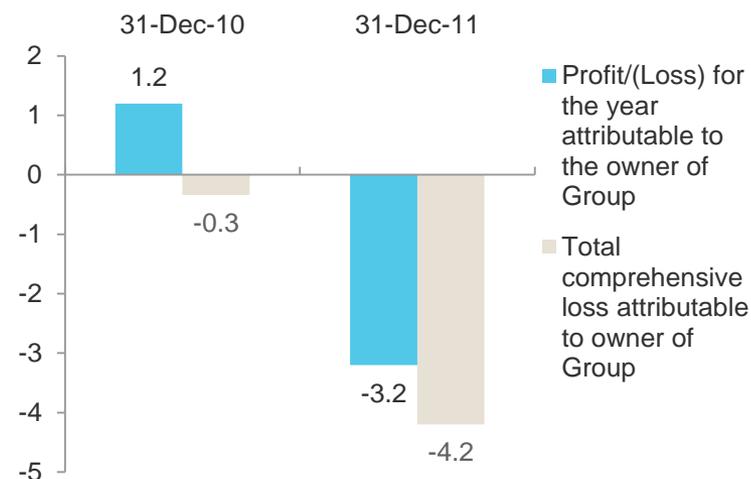
# Consolidated Statement of Comprehensive Income

- Operating income positive at AED 1.2bn from AED 2.6bn in 2010
  - ▶ Year-on-year decline reflects impact of ATIC's continued investment in research and development
- Total comprehensive loss attributable to the owner of the Group was AED 4.2bn, from a loss of AED 338m in 2010
  - ▶ Negatively impacted by changes in fair market valuation of certain financial investments and real estate assets
  - ▶ These investments are important components of Mubadala's long term strategy and the company recognizes that fair market price fluctuations can have a primarily unrealized positive or negative effect on the reporting of its financial performance

Operating income (AED bn)

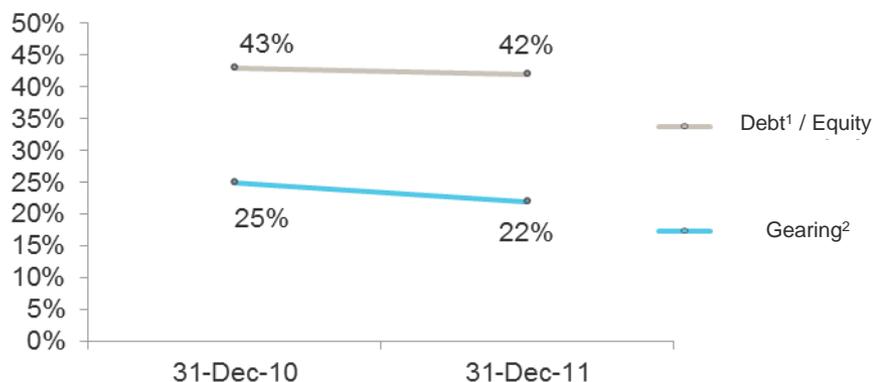


Other key income statement items (AED bn)



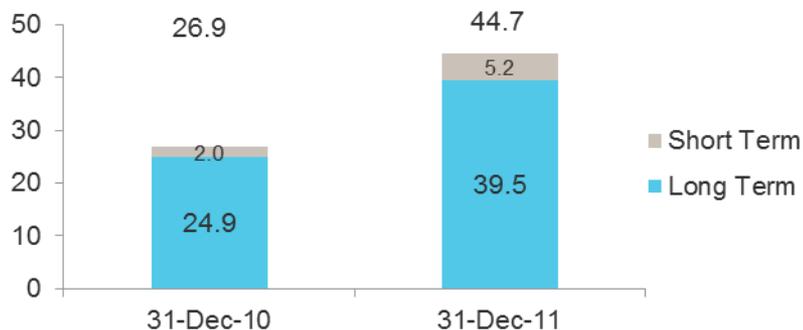
# Conservative leverage

## Key leverage ratios

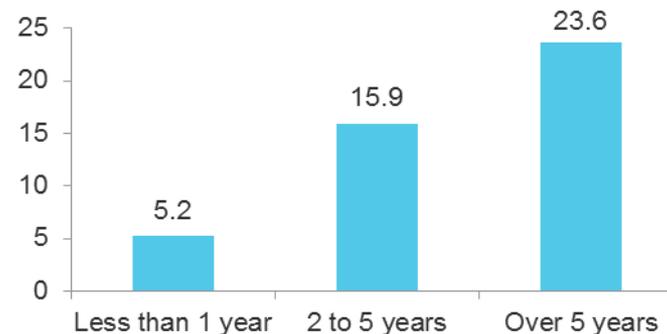


- Gearing<sup>2</sup> ratios reflective of conservative capital structure
  - ▶ 22% in 2011 down from 25% in 2010
- Funding base diversification
  - ▶ Corporate bonds
  - ▶ Commercial paper program
  - ▶ Institutional private placements
  - ▶ Non-recourse debt
- Cash and cash equivalents of AED 14.5bn

## Total debt<sup>1</sup> (AED bn)

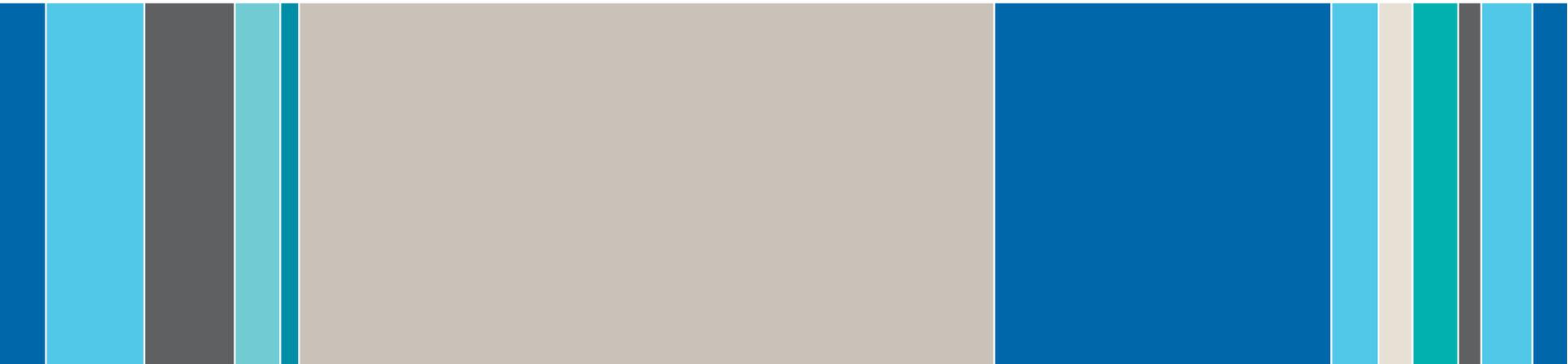


## Consolidated debt<sup>1</sup> maturity profile as of 31 Dec 2011 (AED bn)



<sup>1</sup> Debt: Interest Bearing Borrowings + Obligations Under Finance Lease

<sup>2</sup> Gearing: Net Debt / (Equity + Net Debt)



### III. Key Operating Milestones

# Mubadala Oil & Gas



- Dolphin Energy performing well and in December reached a cumulative production milestone of three trillion cubic feet of gas
- In South East Asia, the Jasmine field once again exceeded annual production targets, notching up its 40 millionth barrel of cumulative crude oil production
- Developmental projects in Indonesia, the Gulf of Thailand, Kazakhstan and Oman are performing according to plan
- New acquisitions included:
  - ▶ A 20% interest in an exploration licence area in offshore Tanzania
  - ▶ A 20% stake in Block PM324 offshore Malaysia, in partnership with Total and Petronas Carigali



# Mubadala Industry



- Emirates Aluminum (EMAL) attained full production capacity of 750,000 metric tons per year at its Phase I facility
- EMAL produced its millionth ton in November 2011 – a significant achievement considering the first aluminum was only produced in January 2010
- EMAL's Board of Directors approved the \$4.5bn investment for Phase II, that will double EMAL's production capacity to 1.3 million metric tons per year, making it one of the world's largest single-site aluminum producers
- EMAL will create demand for more downstream related business activities and employment, particularly in the private sector



# Masdar



- Activities within Masdar are establishing Abu Dhabi as a global center of excellence
- Masdar Capital, the private equity arm of Masdar, with its partners now has approximately US\$ 590m under management. It plans further capital deployment in 2012 through expansion into key Asian markets
- Inauguration of Gemasolar, Torresol's 19.9 megawatt concentrated solar power (CSP) plant in Spain
- Completion of Torresol's Valle 1 and 2 CSP plants in December 2011
- In Abu Dhabi the 100MW Shams 1 project, the first CSP plant in the Middle East, is on course to start operations in the second half of 2012



## Mubadala Aerospace

- Strata, the manufacturer of advanced composite aerostructures, signed a strategic partnership with Boeing to be a Tier 1 supplier of aircraft components parts – in addition to its agreement with Airbus means the company now supplies the world's two largest Original Equipment Manufacturers
- Mubadala Aerospace trains an average of 50 cadet pilots for Etihad each year, a significant knowledge transfer between Abu Dhabi institutions



# Mubadala Infrastructure

- Inauguration of Zayed University in Abu Dhabi (“ZUAD”) and doors opened to students for the first time in September
- Forms part of Abu Dhabi’s world class higher education infrastructure, with capacity for in excess of 20,000 students across the UAE



# Mubadala Healthcare



- Completed a number of world class facilities during 2011 to improve access to top quality healthcare within Abu Dhabi and UAE
- Second Imperial College London Diabetes Centre completed in 2011, in Al Ain, and will support existing Centre in Abu Dhabi which is already running at full capacity
- National Reference Laboratory opened to offer regional healthcare providers a one-stop solution for their clinical needs
- Wooridul Spine Centre expanded its outpatient facility in Dubai



# Mubadala Real Estate & Hospitality



- Concluded in-depth review of its operations
- New strategic approach removes duplication of efforts where Abu Dhabi's private sector already makes a strong contribution
- Delivered Sowwah Square, the heart of the Central Business District, in 2011, welcoming tenants including Deloitte, Clifford Chance, Al Tamimi, Latham & Watkins, Mubadala GE Capital, Norton Rose and the Regulation and Supervision Bureau



# Mubadala ICT

- Successful launch of the Y1A satellite
- Y1B scheduled for launch in 2012
- Yahsat has invested in training UAE nationals to take full control of satellite operations



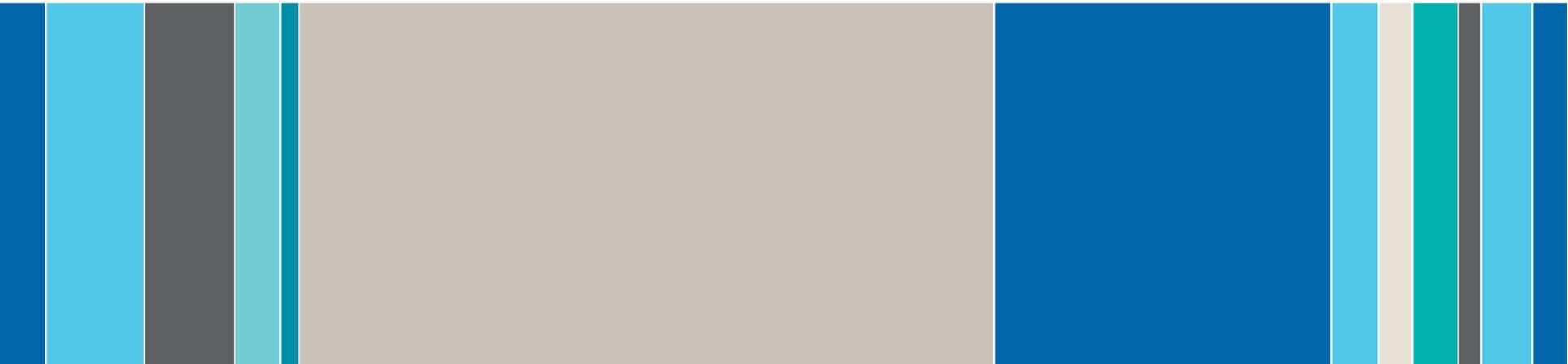
## Significant Events - 2011

- Part of a consortium with Sony/ATV and David Geffen that successfully bid for EMI's Music Publishing business. The \$2.2bn deal is currently awaiting final regulatory approval
- Tabreed completed its recapitalization program on 1<sup>st</sup> April 2011, posted a AED 182 m profit for 2011 and delivered 11 new plants during the year, including 8 for the Dubai Metro Green Line
- Mubadala remains a long term shareholder in Aldar which recorded a profit of AED 642 m in 2011

# Significant Events - Post December 31<sup>st</sup> 2011



- Aldar announce possibility of potential merger between Sorouh and Aldar
  - ▶ In support of potential merger with Sorouh if it increases value to Aldar's stakeholders
  
- In March 2012 ATIC increased its holding in GLOBALFOUNDRIES to 100%, fulfilling the transition of AMD to a fabrication-less semiconductor design company and GLOBALFOUNDRIES to a pure-play, independent semiconductor foundry
  
- Strategic partnership agreement with Eike Batista's EBX Group, one of the leading companies in Brazil, investing US\$ 2bn for a preferred equity security that confers:
  - ▶ 5.63% economic interest in EBX, including an indirect interest in publically listed companies and core privately-held assets
  - ▶ The right to participate in both EBX and Mr. Batista's pipeline of future investments
  - ▶ Partnership creates platform and framework for further collaboration between organizations



## V. Concluding Remarks

## Concluding remarks

- Mubadala is developing critical social infrastructure and establishing new industries
- By investing in knowledge and skills as well as cultivating world class education and business partnerships, UAE citizens will be able to capitalize on the opportunities being created
- Current market conditions will result in both challenges and opportunities for our portfolio and we are confident in our ability to manage both
- Mubadala is well positioned to continue the successful execution of our mandate

## VI. Q&A

[www.mubadala.ae/investors](http://www.mubadala.ae/investors)